

# INFORMATION LETTER

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## EFFECT OF WAR ON FARM EXPORTS

### Agricultural Advisory Council Receives Report of Department of Agriculture

War in Europe has caused exports of farm products from the United States to be smaller than they would have been if the war had not started, members of the Agricultural Advisory Council, formed early in September to advise with Secretary of Agriculture Wallace, were told in a special report prepared by the Bureau of Agricultural Economics. The report concluded that if European war continues through the current marketing year:

Imports of farm products will not be greatly affected.

The tonnage of United States farm products exported will be somewhat less than it would have been had Europe stayed at peace.

Nevertheless, there will be some increase in farm prices and income over what they would have been without war. This increase will come about because of slight speculative rises in the prices of farm products caused by anticipation of the development of wartime demand plus greater buying power of domestic consumers brought about by increased industrial production for war purposes. The Advisory Council is told in the report that the following are the chief forces at work in the wartime supply and demand situation:

The long period of unrest preceding war's outbreak enabled the warring nations to accumulate much larger stocks of farm products than they held in 1914 and their production at home is greater than in 1914. Furthermore, when they do go into the world market to buy they can select from among a much wider range of sellers. South American countries and Canada now are much more important suppliers of several farm commodities than in 1914. The warring nations have already put on governmental controls over prices, imports, exports, methods of buying. United States producers and users of goods are feeling the effects of these controls. For example, apple growers have been hard hit by the British and French decision not to license the imports of apples from the United States. This action shuts off practically the entire foreign market for United States apples. Another instance is offered by the British governmental control of the entire wool clip in Australia. Britain will be the sole bargaining agent for all Australian wool sold to the United States and other nations that import wool.

These monopolistic controls over the flow of trade are further implemented by the pooling of purchasing by the British and French governments, to avoid competing with each other in the world markets. The decisions as to when and what and how much farm products are to be bought for the accounts of the two governments will largely determine the volume of United States exports. These decisions will be influenced by exchange rates, which now favor sterling block countries as against the United States, and the desirability of conserving dollar exchange for use mainly in buying munitions and other industrial products which can be had only from the United States. These considerations now tend to influence the Allied nations to buy farm products chiefly from their dominions or other countries with currencies closely linked

to theirs, to whom they are able to ship their manufactured products in exchange for farm products, and from whom they can obtain credits.

Should the war at sea drastically cut down the tonnage available for ocean shipping or raise the costs of shipping materially from their present level (they already are much higher than in peace time) the position of the United States on the short North Atlantic sea lanes would be likely to cause the Allies to favor purchase of more farm products in the United States, the Advisory Council is told. However, the sinkings to date plus the effects of higher freight and insurance rates on cost of cargo carriage have not, combined, exerted such an effect as to shift buying policies in favor of the United States.

## LABEL STOCKS REGULATION

### Proposed Restriction on Minimum Quantity to Be Used is Modified

The regulation regarding the use between January 1, 1940, and July 1, 1940, of label stocks that do not completely conform to the requirements of the new Food, Drug, and Cosmetic Act has been promulgated by the Secretary of Agriculture. The promulgation was published in the *Federal Register* of December 5 and went into effect immediately.

The proposed restriction on the quantity of stock on hand has been modified, first, by eliminating the requirement that each unit of stock be identical with every other unit, and further by instituting a new basis for determining the minimum quantity of stock that may be used.

The regulation as promulgated has been broadened to allow the use of label stocks by a bona fide successor to the business of the company for which the labels were manufactured.

The text of the regulation as promulgated, omitting those sections referring only to drugs, is as follows:

§ 9.01 *Effective date of certain labeling provisions of the Federal Food, Drug, and Cosmetic Act temporarily postponed in certain cases.* (a) The effective date of the provisions of sections 403 (e) (1), 403 (g), (h), (i), (j), and (k), 502 (b), (d), (e), (f), (g), and (h), and 602 (b) of the Federal Food, Drug, and Cosmetic Act is hereby postponed to July 1, 1940, with respect to any stock of lithographed labeling which was manufactured prior to February 1, 1939, and to any stock of containers bearing labeling which, prior to February 1, 1939, was lithographed, etched, stamped, pressed, printed, fused, or blown on or in such containers—

- (1) If such stock is used by the person for whom it was manufactured, or by a bona fide successor to the business;
- (2) If the quantity of such stock held by such person on January 1, 1940, exceeds 10 per cent of the total stock of such labels or containers used during the calendar year 1939;
- (3) If such person keeps until July 1, 1941, records showing the amount of such stock used during the calendar year 1939 and the amount on hand on January 1, 1940;
- (4) If such person makes such records available at all

reasonable hours until July 1, 1941, to any officer or employee of the Food and Drug Administration who requests them;

(5) If non-compliance with the sections of the Act hereinbefore specified does not make such labeling misleading by reason of its failure to reveal facts material in the light of representations made or suggested by statement, word, design, device, or any combination thereof in such labeling, or material with respect to consequences which may result from the use of the article to which such labeling relates under the conditions of use prescribed in such labeling or under such conditions of use as are customary or usual; and

(6) If such labeling would have complied with the requirements of the Federal Food and Drugs Act of June 30, 1906, as amended.

### Transcript of Coal-Tar Color Hearing Filed

Notice has been given that the hearing clerk of the Department of Agriculture has filed the transcript of evidence of the hearing held for the purpose of receiving evidence on amending regulations for the use of coal-tar colors. Objections must be filed with the hearing clerk not later than December 15.

## SUGAR IMPORTS DECREASE 39.4 PER CENT

### October Receipts Drop to Level of Those Prior to Quota Suspension

Sugar imports into the United States during October, the second month after the quota system had been suspended, decreased 39.4 per cent from the amount of the September sugar imports, and are at a figure about 100,000,000 pounds smaller than the August receipts, according to Department of Commerce figures. Total imports of sugar for consumption during October amounted to 739,882,546 pounds, compared with 1,221,120,056 pounds during September, and 853,578,156 pounds during August.

The unusually large receipts of sugar during September have been attributed to the release of all stocks held in bonded warehouses as of September 11, the date that the sugar-quota system was suspended.

In the following table, compiled from a report of the Department of Commerce, are shown the imports during October of dutiable and free sugar, and receipts of sugar in the United States from non-contiguous territories:

Origin	Raw		Refined	
	Dutiable Pounds	Free Pounds	Dutiable Pounds	Free Pounds
<b>Foreign countries:</b>				
Cuba	236,041,203		28,429,050	9,200
Canada		81		
Mexico			22,040	
Dominican Republic	17,703,920		40,000	
Haiti			18,000	2,500
Peru	20,482,331			4,468
Guatemala				8,511
Netherlands Indies			15,000	
Philippine Islands	541,834	108,061,840	7,365,000	
United Kingdom				35,000
China	28,170			
Hong Kong		2,240		
Total	274,799,779	108,970,357	35,880,105	51,768
<b>U. S. Territories:</b>				
Hawaii		141,277,625		3,200,000
Puerto Rico		106,193,344		4,752,600
Virgin Islands		4,747,908		
Total receipts	274,799,779	421,189,294	35,880,105	8,004,368

The table below shows the imports of sugar, both raw and refined, by ports of entry. These figures include imports for direct consumption and also withdrawals from bonded warehouses within the United States:

Port of Entry	Raw		Refined	
	Dutiable Pounds	Free Pounds	Dutiable Pounds	Free Pounds
Vermont		81		
Massachusetts	29,323,937	13,466,916		
Buffalo			998,294	
New York	76,481,009	31,191,334	8,508,300	35,600
Philadelphia	67,530,672	29,432,612	9,873,128	
Montgomery	26,514,225	15,902,594	506,332	
Virginia		457,226		2,260,055
North Carolina		50,213		1,074,597
South Carolina				1,100,000
Georgia		7,483,891		
Florida			2,488,333	
Mobile			550,000	9,200
New Orleans	54,619,193	17,848,408		
Galveston	11,354,808	1,119,982		
Kentucky		334,280		
Ohio		420		
Michigan			980,000	
Arizona			22,046	
Los Angeles	260,693		7,365,000	4,468
San Francisco	151,819		8,511	
Oregon	105,672			
Washington		50,000		15,000
Virgin Islands		78,000		58,000
Hawaii		3,640		2,500
Total	274,799,779	108,970,357	35,880,105	51,768

## CONSUMER COMPLAINT SERVICE

### Rules Governing Association's Service Revised to Clarify Wording

Because of the importance of the Consumer Complaint Service to Association members, it seems advisable to publish a recent revision of the rules under which the service is operated in connection with consumer complaints.

Only a few minor changes have been made with the approval of the Association's general counsel, the object being to clarify or to simplify the wording of the rules and the introductory statement. The rules were last published in the INFORMATION LETTER of June 10, 1939.

The rules follow:

One of the services which the National Canners Association offers to its membership is that of investigating complaints of consumers involving its members' canned products, and engaging counsel to contest suits based on such complaints, in accordance with the resolution of its Board of Directors, adopted in May, 1923.

This resolution provided that the costs of defense of alleged food poisoning cases was to be included in membership service, subject to the approval of the General Counsel of the Association, and the rules and regulations governing the same to be recommended by him. This service was extended later to cover cases of alleged injury. These costs were not to include the payment of damages if the court awarded the same.

In 1927 the Board further provided that the Association's services should not cover claims or other controversial questions arising prior to a canner's application for membership.

Accordingly, this matter has been taken up with the Association's General Counsel, Covington, Burling, Rublee, Acheson and Shorb, in order to establish a uniform practice in this respect. Our counsel have expressed their opinion that this Association should not be called upon to pay for the services and expenses in connection with such suits where the service and expense are under the direct control of the

member, or are simply in line with such reasonable cooperation as the member should afford to the Association and to counsel who has been engaged by the Association.

The Association's general counsel therefore recommends that the Association services in the defense of such suits should be as follows:

1. The Association will continue to investigate all consumer complaints involving canned products of its members, and will pay the cost of such investigation.

2. The Association will find and engage lawyers to defend a suit of this kind for its members, whether the member is being sued directly or whether the suit is against the distributor or grocer who has sold the member's canned product involved in the suit; provided, however, that the General Counsel of the Association believes the claim to be unjustified and that it should be contested; and provided further, that the member requests the Association to engage counsel to defend the suit and agrees to pay any judgment that may be rendered against the defendant.

3. The Association will pay the fees and necessary expenses of the lawyers engaged by it, bills for such service and expenses to be submitted directly to the Association.

4. The Association will engage the services of and pay the fees and expenses of expert medical and bacteriological witnesses if such are considered necessary by the lawyer selected by the Association to handle the case.

5. The Association does not pay the traveling expenses of the member or distributor involved or of any of their officers or employees, incurred in connection with the suit. Neither does the Association pay any counsel fees, except to counsel employed by the Association and for services authorized by the Association.

6. The Association does not pay stenographic, commissioners or counsel fees incurred in the taking of depositions of members or of any of the officers or employees of members.

7. In no event is the Association to be in any way responsible for the outcome of the suit. The Association does not pay any judgment obtained or any part thereof. However, the Trustees of the Special Protective Fund, created under the Trust Indenture, of April 1, 1932, may under conditions specified in the Trust Indenture, contribute to the payment of judgments or settlements in excess of \$3,000, in case of claims of injury sustained from April 1, 1932 to May 22, 1935, and in excess of \$1,000, in case of claim of injury sustained on or after May 22, 1935, provided that the amount payable by the Trustees shall not, in any case, exceed \$24,000.

8. By resolution of the Administrative Council of the Association on May 17th, 1939, it is further provided in the case of injuries sustained after the date of this resolution, that if the total judgments or settlements which involve the product of any member and which are each in amount not less than \$100 and not more than \$1,000, shall in any calendar year exceed the aggregate of \$5,000, the amount of such excess over \$5,000 may be paid by the Trustees, subject to all other provisions of said Trust Indenture.

#### Additional Areas for Stamp Plan Named

Akron, Ohio; Macon, Ga., with Bigg county; and Portland, Ore., with Multnomah county, were named this week as areas to which the food order stamp plan for distributing surplus agricultural commodities will be extended. Operation will start in about six weeks in Akron, provided the

necessary financial arrangements are made locally to continue the direct relief program in 1940.

#### Tin Plate Prices Announced by Steel Company

The price of \$5 per box of 100 pounds was reaffirmed on tin plate for the first quarter of 1940 last week by the Carnegie-Illinois Steel Corporation. The price of tin plate has remained at this level since November 10, 1938, when it was reduced 10 cents a box, and this price made retroactive to January 1, 1938.

Special coated manufactured terne will remain at \$4.30 per base box, it was announced. Prices on other coated tin mill products were reaffirmed. These prices apply to both Pittsburgh and Gary.

#### Supplemental Canadian Trade Agreement

A trade agreement with Canada, supplemental to the one signed last year and now in force, will be negotiated. The proposed negotiations will be of a limited character and are intended to deal only with special emergency conditions which have arisen with respect to the marketing of silver and black fox furs and skins. No consideration will be given in the proposed negotiations to articles other than these.

#### National Canned Salmon Week

The canned salmon industry has announced that National Canned Salmon Week will be observed this year from February 9 to 17. The opening date of the observance coincides with the beginning of Lent.

#### Maximum Salmon Prices in England Remain Fixed

Maximum prices for canned salmon, fixed by the Ministry of Food order of September 6, have not been changed so far, according to the American commercial attache at London. Trade sources advise that the established prices do not permit of any business being done with American suppliers. The same sources believe some upward revision of controlled prices may occur soon, but expect no advance information prior to publication of such change, if it occurs, by the Ministry of Foods.

#### Business Reporting Service Begins Work

A new business reporting service, aimed at providing American industry with current information on business movement, was launched by the Department of Commerce this week with the mailing of letters and questionnaires to a representative cross-section of manufacturing concerns to form the basis of a nation-wide report.

Information to be supplied on the questionnaires includes monthly data on the value of net sales, new and unfilled orders, and of inventories. Answers are confidential, and data will be used only in consolidated form.

#### Tennessee-Kentucky Canners to Meet

The annual meeting of the Tennessee-Kentucky Canners Association will be held February 12 and 13, 1940, at the Andrew Johnson Hotel in Knoxville.

### Unsold Stocks of Canned Salmon

Unsold stocks of canned salmon on November 30, 1939, totaled 2,256,037 actual cases, compared with 2,376,931 cases on October 31, 1939, and 2,854,903 cases on November 30, 1938, according to statistics compiled by the Association of Pacific Fisheries. The figures for 1939 are based on reports from 81 companies, producing an estimated 99 per cent of the 1939 pack. The figures for November 30, 1938, are based on reports from 79 companies, producing 98 per cent of the 1938 pack.

The Association of Pacific Fisheries called attention to the fact that on these dates in both 1938 and 1939, the pack of some individual companies, as well as the total pack, were not yet definitely known, as some packing was still going on in certain localities.

The following table provides statistics of canned salmon stocks by grades or varieties and by can sizes for November 30, 1939, with totals compared with November 30, 1938:

GRADES OR VARIETIES	Tails		Plata		Halves		Nov. 30, 1939	Total Nov. 30, 1938
	(1 pound)	Cases	(1 pound)	Cases	(8 dozen)	Cases		
Chinooks or Kings:								
Fancy Red.....	10,850	5,342	20,662	36,863	36	637		
Standard.....	728	5,454	9,428	15,610	22	2,007		
Pale.....	315	141	826	1,282	3	593		
White.....	206	191	223	620	2	072		
Puget Sound Sockeyes.....	9	8,569	23,219	31,827	65	633		
Alaska Reds.....	1,287,085	18,339	110,538	1,415,962	1,310,525			
Coho, Silver, Med. Reds.....	48,369	9,497	42,571	100,437	131	433		
Pinks.....	430,444	7,924	38,508	485,966	1,076	808		
Chums.....	157,881	5	5,477	163,363	172	760		
Bluebacks.....			727	727	1	628		
Steelheads.....		397	2,983	3,380	3	128		
Totals.....	1,944,806	55,889	255,252	2,256,037	2,854,903			

### Veterans Bureau Asks Bids on Canned Foods

The Veterans Administration, Arlington Bldg., Washington, D. C., has asked for bids, to be opened December 19, 1939, on 300 cases of canned sweet potatoes, 24 No. 2½ cans to a case. Delivery is to be made to Perryville, Md.

Another bid has been asked on 3,170 cases (12 No. 5 cans) of canned grapefruit. Bids are to be opened December 21, and delivery is to be made to Perryville, Md.

### Fruit and Vegetable Market Competition

#### Carlot Shipments as Reported to the Agricultural Marketing Service by Common Carriers

VEGETABLES	Week ending—		Season total to—		
	Dec. 2, 1938	Dec. 2, 1939	Nov. 25, 1939	Dec. 2, 1938	Dec. 2, 1939
Beans, snap and lima.....	362	100	136	7,321	1,648
Tomatoes.....	140	203	334	35,345	28,216
Green peas.....	6	98	124	6,456	7,486
Spinach.....	262	159	86	7,447	6,791
Others:					
Domestic, competing directly.....	2,325	2,494	2,735	51,796	51,883
Imports, competing indirectly.....	104	77	103	1,101	1,122
FRUITS					
Citrus, domestic.....	4,389	4,000	3,750	24,986	22,388
Imports.....	0	0	0	77	31
Others, domestic.....	383	441	233	48,633	46,905

### Italy Utilizes Old Tin Cans and Containers

Old tin cans are being salvaged in Italy in order to recover the tin, according to a report from the American consulate at Milan. The electrolytic process used in treating the old cans results, it is claimed, in producing a tin from 97 to 98 per cent pure. The recovered tin is suitable for casting purposes, in the production of solder, and for practically all uses where tin of high purity is not essential.

### Sardines Now Abundant in North of Portugal

Portuguese fishermen have become encouraged by the news that sardines are now abundant along certain parts of the northern coast of Portugal, according to the American consulate general at Lisbon. The factories, which have been closed for some time because of scarcity of sardines, are again active and expect to be able to fill orders which they are said to have for the belligerent armies.

### Grocers Ask for Home Economics Publications

Requests have been received by the Association's Home Economics Division from retail grocers in many parts of the country asking for publications that will help grocers to learn about canned foods. One grocer has written:

"The grocery business is new to me and I can use all the facts about canned food that I can get. Please send me your bulletins describing canned food products. One of the directors of distributive education in a nearby city told me about them."

This letter is one of many in which it is clear that the requests for publications have developed from the program for distributive education set up during the past year in many States by funds provided to carry out the George-Deen Act to extend vocational training. Part of the program of distributive education set up under the Act includes the training of retail grocery clerks. To provide proper material for this work, the Home Economics Division has cooperated with leaders of the program.

Requests for publications have come not only from retail grocers, but also from State supervisors of the program and from city and school directors.

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